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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

TS 771528
SP - 118/77
6 May 1977
Copy 3

MEMORANDUM FOR: Director of Central Intelligence

FROM: Deputy to the DCI for National Intelligence

SUBJECT: Draft Report of the Senate Select Committee on Intelligence,
"The National Intelligence Estimates - B Team Episode
Concerning Soviet Strategic Capabilities and Objectives"

1. Action Requested: Your approval of the attached letter to Senator Stevenson, Chairman, Subcommittee on Collection, Production and Quality, Senate Select Committee on Intelligence, commenting on the subject report.

2. Background:

a. The proposed reply to Senator Stevenson (1) points out that studies are underway intended to improve the national estimating process, (2) identifies recommendations in the Subcommittee report with which the DCI agrees, (3) suggests three areas where the report might be improved, and (4) forwards comments from those responsible for preparing NIE 11-3/8-76 on the accuracy of the report and on its findings.

b. I plan to meet with Senator Stevenson on May 11, 1977 to discuss the preparation of national intelligence and the Subcommittee report.

3. Staff Action: The draft letter has been coordinated with the DDI, the NIO/SP, the NIO/USSR-EE and the OLC.

4. Recommendation: That you sign the attached letter to Senator Stevenson.

[Redacted Signature]

Robert R. Bowie

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Attachment

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This memorandum may be downgraded to CONFIDENTIAL when separated from attachment.

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SUBJECT: Draft Report of the Senate Select Committee on Intelligence,
"The National Intelligence Estimates - B Team Episode
Concerning Soviet Strategic Capabilities and Objectives"

APPROVED:



Director of Central Intelligence

DISAPPROVED:

Director of Central Intelligence

11 MAY 1977

DATE: _____

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SUBJECT: Draft Report of the Senate Select Committee on Intelligence
"The National Intelligence Estimates - B Team Episode
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The Director of Central Intelligence
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11 MAY 1977

The Honorable Adlai E. Stevenson
Chairman
Subcommittee on Collection, Production and Quality
Select Committee on Intelligence
United States Senate
Washington, D.C. 20310

Dear Senator Stevenson:

I want to thank you for the opportunity to review the Subcommittee draft report on "The National Intelligence Estimates--B Team Episode Concerning Soviet Strategic Capabilities and Objectives."

As you know, the President has directed that a thorough study be made of the Intelligence Community to identify areas where organizational or procedural changes are needed to ensure that intelligence provides national policymakers with the best possible support. This study is nearing completion, and one of the principal areas of my concern is to ensure that we find the most effective means to produce useful and relevant national intelligence, particularly National Intelligence Estimates. I wish to assure you and the Subcommittee that I will give full consideration to your findings and recommendations in this and other reports in pursuing this task.

I agree with some of what I believe to be the most important findings and recommendations of the Report. I share your view that we could improve the method of reviewing estimates. I am considering various ways to do this, including forming a board or panel of outside experts. While I expect such innovations to improve the quality of our National Intelligence Estimates, I do not regard them as a panacea for resolving all the substantive issues discussed in the Subcommittee report. Many of these issues arise from the limitations in our evidence, uncertainties which accompany long-term projections and legitimate differences of interpretation by experts both within and outside of government.

I also agree on the importance of evaluating developments in Soviet military forces in the context of overall Soviet objectives, foreign and domestic policies, and economic developments. Before deciding on a solution to this problem, however, I want to assess the results of a survey of requirements of key consumers of NIEs on the USSR. I doubt that an expansion of NIE 11-3/8 will be the best solution. I expect a continuing requirement for estimates, such as NIE 11-3/8, covering critical categories of Soviet

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military forces in considerable detail. These need to be complemented by estimates such as NIE 11-4 which cast military developments in the broader context recommended in the Subcommittee report.

I believe the description in the report of last year's experiment in competitive analysis proposed by the President's Foreign Intelligence Advisory Board will be a useful record of the episode. The substantive evaluation of the B Team's findings on Soviet strategic objectives is very perceptive and helpful.

The Subcommittee's proposal for national level net assessments of the military balance corresponds with my own views on the subject and with recommendations made by my predecessor. However, it is necessary to distinguish among kinds of US-USSR net assessments and to clarify which are appropriate as part of the intelligence analytical and estimating process. I stated my views on the role of intelligence in net assessments in response to additional questions submitted to me by the Select Committee on Intelligence at the time of my confirmation hearings. I believe that intelligence agencies should conduct comprehensive net assessments on two or more foreign nations, as well as Soviet-US net assessments to estimate the capability of individual Soviet weapon systems, to determine Soviet technical requirements, and to identify trends and estimate the implications of Soviet programs.

In three areas I believe the report could be improved. First, in its criticisms of NIE 11-3/8, the report does not make clear that the scope, purpose and format of this estimate were devised to meet the requirements of key policymaking consumers for an NIE limited to those Soviet strategic forces constituting the most serious threat to US security. Second, the report does not recognize that this NIE series does not stand entirely alone as a means of communicating to the national leadership about Soviet strategy and capabilities, but is part of a stream of national intelligence on the Soviet Union to which the leadership is exposed. Third, the conclusion that the NIE 11-3/8 series of the past few years have inadequately served the President and key US leaders and have done them a disservice, does not seem to be supported in the investigative record in the report other than in the assertions of the PFIAB.

I asked those responsible for the preparation of recent estimates in the NIE 11-3/8 series to review the Subcommittee report for accuracy and for the purpose of offering such other comments on it as they deemed appropriate. The results of these reviews are forwarded in the two attachments.

Yours sincerely,

/s/ Stansfield Turner

STANSFIELD TURNER

Attachments

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Letter to Senator Stevenson from DCI re Draft Report of the Senate
Select Committee on Intelligence, "The National Intelligence
Estimates - B Team Episode..."

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ATTACHMENT 2

Comments on Senate Select Committee on Intelligence
Draft Report by the Subcommittee on Collection,
Production, and Quality

SUBJECT: The National Intelligence Estimates - B Team
Episode Concerning Soviet Strategic Capabilities
and Objectives

The following comments on the draft report were prepared by the officials responsible for the preparation of the NIE 11-3/8 series of estimates since 1974.

1. In general, the Subcommittee report presents an accurate, professional account of the experiment in competitive analysis conducted in conjunction with NIE 11-3/8-76. We do not believe the most important findings of the report about the NIE 11-3/8 series of estimates are correct. Rather than commenting on the report paragraph by paragraph, we have summarized our comments on the Subcommittee findings and on its recommendations for improving the NIE 11-3/8 series of estimates.

COMMENTS ON THE SUBCOMMITTEE FINDINGS

Utility of NIE 11-3/8

2. Summary of Finding: National Intelligence Estimates on Soviet strategic weapons including NIE 11-3/8-76 have inadequately served the needs of the President and the senior national leadership and have performed a disservice to them primarily because of the narrowness of their focus.

The format and content of the current NIE 11-3/8 series combining Soviet offensive and defensive forces for intercontinental conflict was developed in 1974 as a result of personal contacts with policy-making officials, including the Secretary of Defense, members of the NSC staff, the Assistant J-5 of the Joint Staff, JCS and others, and the chiefs of intelligence organizations who reflected the views of their

departments. Since 1974 the format and scope of the NIE 11-3/8 series has been adjusted further in response to reactions of consumers including the President's Foreign Intelligence Advisory Board. For example, the NIEs have become more precise in conveying uncertainties in such estimates as the hard target capabilities of Soviet ICBMs and have exposed in more detail the analytical basis for findings about Soviet strategic defenses. The NIEs have included annexes to cover subjects of particular interest to consumers of the NIEs that were not the subject of interagency intelligence issuances such as Interagency Intelligence Memoranda.

Policy and planning decisions do not flow from a single annual NIE on developments on Soviet strategic programs, no matter how broadly based in the context of world developments. Decisions by the Administration and the Congress rest on more than perceptions of long-term Soviet goals. They depend most on intelligence forecasts not only of numbers but also of qualitative characteristics of Soviet forces, and on technological possibilities; they involve US hedges against potential threats, preclusive research and development, and procurement decisions to acquire forces five to ten years hence.

This is not to say that the NIE 11-3/8 series precisely satisfied all its many users. For example, the PFIAB has been dissatisfied with the NIEs' methodology and substantive findings. Other consumers believe the results of analyses intended to show trends in the future capabilities of Soviet forces can be misinterpreted as evaluations (net assessments) of the effectiveness of certain US forces. Still other consumers find the scope and content of the NIE about right.

While the last commendatory communication from the President concerning estimates in the NIE 11-3/8 series was received in 1971, on the other hand we have received no complaints. But we do not contend that the absence of complaints from the top leadership establishes the quality of the estimates through a universal negative. Indirect but compelling evidence of the value and utility of the NIEs, if not their quality, is found in the extent of their use. NIE 11-3/8 was a basic reference document in planning and negotiating the Vladivostok Accords. The important findings of the NIE, its depiction of static and dynamic measures, many of its graphic presentations, and even its expressions of uncertainties and differences provide a common basis for use in preparing the President's budget, the annual DoD and DCS posture statements,

and testimony to Congressional committees. The increasingly stark depiction of Soviet developments in the NIE 11-3/8 series appears to coincide with the greater willingness of the Administration and the Congress to increase allocations for defense. The findings and charts from the NIE have consistently been used in NSC deliberations on SALT and defense planning issues. None of these uses of the estimate nor other evidence available to us supports the Subcommittee's finding that the NIEs have inadequately served the leadership, or that they have done a disservice because their scope was too narrow.

Content of NIE 11-3/8

3. Summary of Finding: NIE 11-3/8-76 is deficient in its failure to set developments in Soviet strategic forces in the wider framework of conventional arms, naval developments, international economics, European politics, Japan, China, third world aspirations and actions, resource disparities and the environmental future.

Given the fact that the purpose and scope of NIE 11-3/8 was responsive to expressed consumer requirements, we do not regard this finding of the report as an accurate description of a deficiency in the NIE 11-3/8 series. Rather, it must be considered as a commentary on the lack of an estimate in the NIE 11-4 series casting developments in all Soviet military forces in the broader context of Soviet objectives, policies, and the total world environment, which the Subcommittee believes the leadership does or should require. The report does not evaluate whether or how well the NIEs in the 11-3/8 series satisfied their actual purpose.

4. Summary of Finding: Net assessments in the NIE 11-3/8 series are subsumed in certain of the NIEs' judgments and have been done in an unacknowledged and amateurish fashion.

Contrary to this assertion, NIE 11-3/8-76 exposes the reader to the analytical bases, including any net assessments conducted, for findings in Volume I and in more detail in Volume II, and reveals uncertainties and differences of view on Soviet capabilities critical to US planning. The interaction or engagement analyses which were conducted to depict trends in Soviet capabilities and their threat implications, employed the most advanced computer models and techniques available to the US Government. The estimate is precise, for example, in describing the basis for our findings (or so-called "net assess-

ments") about Soviet capabilities to defend against ballistic missiles, low-altitude bombers, and ballistic missile submarines. The estimate shows that the Soviets have major deficiencies in their capability to carry out all the functions critical to successful defensive operations. Obviously, a short Key Judgments section cannot provide the reader the detailed basis for each of its findings.

Utility of the B Team Experiment

5. Summary of Finding: The B Team exercise did not reflect the best and most broadly based expertise, and as a "hard-line" experiment it was not constructive. The experiment was further devalued by deliberate leaks to the press at a time when strategic questions of considerable moment were awaiting action by a new Congress and a new Administration.

We generally agree with the Subcommittee's evaluation of the utility of the B Team experiment in the NIE preparation process. Particularly, we believe that the main text of the report contains an accurate account of the episode and excellent substantive evaluation of the B Team's findings on Soviet strategic objectives. However, we believe many of the Subcommittee's judgments about both the B Team exercise and NIE 11-3/8 were based on an evaluation against criteria different from the actual purpose and scope of the experiment and the estimate. We would agree with a finding that, discounting the unfortunate press leaks, the experiment was carried out largely as envisioned by the PFIAB, and that, contrary to the Board's expectations, the experiment showed that this type of competitive analysis will not contribute to the process of preparing NIEs. Such a finding would accord with our expressed views before the experiment was undertaken.

COMMENTS ON THE SUBCOMMITTEE RECOMMENDATIONS

6. We have also taken note of the Subcommittee's recommendations. Those relating to organization for producing estimates are of course dependent on the larger decisions yet to be taken by the Committee and the Administration in the context of new legislation and PRM 11. It would thus be inappropriate for us to comment on them in detail at this time. We agree in prin-

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ciple, however, that estimates might benefit from review by outside experts if the traps of last fall's experiment can be avoided.

7. The Subcommittee's recommendations with regard to our relationship with intelligence consumers coincide with both our policy and our practice. As to those on the format and content of NIE 11-3/8, we believe the detailed comments in earlier sections of this paper need not be repeated. We emphasize, however, that we have recognized the need for a NIE 11-4 this year and have planned to prepare one.

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Set- Since the matters covered in the report occurred prior to my tenure as ~~Dir~~, I asked those responsible for the preparation of recent estimates in the NIE 11-3/8 series to review the Subcommittee report for accuracy and for the purpose of offering such other comments on the report as they deemed appropriate. The results of these reviews are forwarded in the two attachments.

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